

REMARKS

Applicants have now had an opportunity to carefully consider the Examiner's Official Action mailed June 5, 2001. Reexamination and reconsideration of the subject application, as amended, is respectfully requested.

The Examiner's Action

The Examiner initially had a request for information under 37 CFR §1.105 concerning documentation of the Photostats of the on-line displays in the attached appendix. The disclosure comprising the specification and drawings comprises an adequate disclosure of how to make and use the website represented in the appendix. Such statement is believed to fully respond to the Examiner's request.

The Examiner rejected all pending claims for failing to define a patentable invention. The Examiner stated that the claims failed to define nonobvious subject matter over the combined teachings of several prior art references, and in particular, the combined teachings of U.S. Patent No. 4,831,526 to Luchs et al. ("Luchs") in view of a non-patented published document entitled "Auto Web site takes off" ("Pasher"). The claims have been amended to better define the subject invention over the teachings of the cited references and to clarify the novel and patentable features both individually and in combination.

The Subject Invention

For purposes of a brief review, the subject invention is directed to a method and apparatus for on-line insurance policy servicing of an existing insurance policy between a policyholder and an insurer, via the facilities of the Internet or other electronic communication network. Communication is directly between the policyholder and the insurer for real-time automated adjustment of policy parameters by the policyholder and without the necessity of agent/underwriter guidance and intervention for the benefit of the policyholder or the insurer. Thus, the system provides a substantial advantage over prior art systems by allowing unsophisticated policyholders (vs. educated and trained insurance agents or representatives) to directly communicate with their insurer about desired policy changes, and to directly effect the desired changes to their own policies, electronically and in real-time. The provision of an adjustment system which facilitates 100% policyholder-driven service and operation without agent and operator intervention or assistance provides

substantial economies and efficiencies not only with regard to speed of implementation, but also with regard to cost savings. The subject invention comprises an automated system that is fully controlled and operated by the insurer's customer base and provides a substantially improved functionality for the policyholder so that the policyholder himself can independently manage the complete policy life cycle without having to go to a particular agent, waiting for the agent to deal with the matter and with the insurer advising what options are available, underwriting the risk presented by the desired changes, calculating the resulting rate change and then the policyholder making the actual adjustment decision which must be communicated back to the insurer through the agent.

The subject invention comprises a totally automated system for computation and communication of resulting cost adjustments from policyholder communication of a range of possible or actual policy parameter changes. An information module identifies the policyholder to the system and communicates to the policyholder the currently existing policy parameters. A policy adjustment module selectively communicates parameter changes made by the policyholder to the insurer's computer system using the policyholder's answers to a series of questions which are automatically selected for relevance based on prior policyholder responses. The computer then automatically underwrites the risk associated with the parameter change and generates, electronically and in real-time, the resulting policy costs attributable to the parameter change. Such cost adjustments can be communicated in the form of a quote, and if the computer is so instructed by the policyholder, the policy change and related cost adjustment can be formally submitted and implemented.

The Cited References

The Examiner's principal reference to Luchs is clearly not the policyholder accessible and self-administered policy service system defined by the subject invention. Luchs is a closed policy issuance system and is not even accessible to a customer/policyholder. This is repeatedly emphasized through the text of Luchs, such as is stated at column 15, line 32 et seq. where only three levels of authority for accessing are available, operations level 48, underwriter level 50 and agent level 52. Thus, Luchs describes a "closed box" system requiring intervention by an agent, and the operations and underwriting departments of an insurer, at various levels to collect

and input data, underwrite risk, compute resulting rate changes and accept or reject the risk, so that the issuance and any service is managed and controlled by the insurer with intervention by others than the customer/policyholder. Further, it is readily apparent that such interventions are made by only savvy, experienced and trained operators familiar with the Luchs system and the business of insurance.

Applicants readily acknowledge that Luchs is significant for its teaching of a "computerized" policy issuance system that facilitates the issuance and servicing of insurance policies by trained professionals whose insurance knowledge and training allow them to navigate the system and to make the appropriate critical underwriting and rating decisions. The Luchs system fails to facilitate direct communications between the insurer and the customer or policyholder. More importantly, it is the complete control of and unassisted policy adjustment by the policyholder which is critically lacking from the Luchs teachings.

The Examiner's principal teaching reference to Pasher is essentially a telephone system facilitating communication between an insurance company employee and requests from policyholders. It is expressly noted in the Pasher reference at page 2, paragraph 15: "All requests go to a direct marketing center where they are reviewed. Policyholders are contacted within the hour via preferred medium: phone, E-mail or fax." The Pasher system is without a real-time automated system for policy servicing adjustment via direct communication between a policyholder and the insurer and without the capability to electronically perform underwriting decisions and rate computations. Pasher requires a manual intervention by agents, underwriters and operating personnel of the insurer.

Concerning the other references cited by the Examiner, some comments are appropriate. The Festa non-patent document is a communication/information gathering system focusing on insurance marketplace sites and the gathering of competitive information to make a decision on initial purchasers. There is no real mention of on-line policy servicing.

The Pescitelli patent is an off-line kiosk system for the sale of life insurance. The kiosks are apparently periodically connected to the home office to transmit sold policies and update the product offerings which are stored in the memory of the system. There is no mention in this reference of policy servicing and it is apparent that it could not be performed given the technical design disclosed therein. In order to support interactive policy adjustments, the system has to support

access to the policyholder's policy information, which cannot be done effectively in an off-line environment. There is no mention of any mechanisms connected to the home office to transmit policyholder specific data to the kiosk in real-time.

**The Claims Distinguish Over
The Teachings Of The References.**

The Examiner will appreciate that the claims have been substantially amended to better distinguish over the individual and combined teachings of the several cited references. In particular, the claims have been amended to emphasize that the communication occurs between an insurer and a policyholder as opposed to a mere user, thus clarifying that system users, such as an agent, operator or underwriter, are not part of the intended communication and servicing system claimed as a novel part of the subject invention. In addition, further claim limitations have been made to emphasize the direct nature of the communication between the policyholder and the insurer for real-time communication of quotes corresponding to policyholder inquiries, and cost adjustments attributable to real-time parameter adjustments. The subject clarifications emphasize the policyholder-insurer direct channel of communication over and above cited systems involving agent-to-insurer communication and policy distribution. The subject invention thus provides a fully integrated and automated policy service system that could be utilized and operated by the insured policyholder – a "do-it-yourself" policy service system – that is not taught or suggested individually or in any combination of the references, all of which have a need for insurer or agent involvement in communicating changes in policyholder and policy parameter information, making underwriting decisions and the calculating and communicating of the resulting changes in rates and related policy changes. A combination of Luchs and Pasher would still require agent or insurer participation/intervention at all of the above-mentioned agent, operations or underwriting levels. The subject invention thus supports service of policies written through either the agent or direct channels of distribution, while the Luchs system is limited to the former.

Another principal advantage of the subject invention is that it allows the policyholder to test a wide variety of alternative scenarios in the handling of his insurance needs, immediately review the resulting premium changes and evaluate the results so that policy adjustments can be made on a real-time basis. (See claim 31)

Although the Internet is disclosed as a system for facilitating policyholder access, the principal advantages to the policyholder rest in the system's ability to allow the policyholder to use and operate the system, and to effect changes to his own policy, without assistance or intervention from trained insurance professionals. A totally automated and consumer friendly system must correspondingly incorporate enough insurance "intelligence" (i.e., the system must encompass underwriting, rating and relevancy capabilities) to allow the policyholder, without an insurance background and training, to navigate and use the system, execute complex decisions, implement policy changes and manage his entire insurance program, without professional assistance, electronically and on a "real-time" basis. The prior art, such as Luchs and Pasher, expressly require trained and intelligent intervention by insurer representatives other than the consumer for the management of a policy, including making underwriting decisions, rate computations and policy acceptance. Moreover, Luchs requires intervention by a trained insurance professional to use or navigate the system.

CONCLUSION

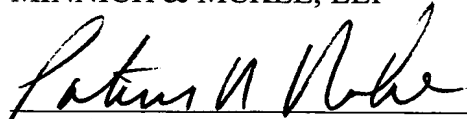
For the foregoing reasons, the application is believed to be in condition for allowance and early notice of such is respectfully requested.

Respectfully submitted,

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DATE: _____

9/5/01



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Attachment: Versions with Markings to Show Changes Made

VERSION WITH MARKINGS TO SHOW CHANGES MADE

1. (Amended) An [Internet] on-line insurance policy service system for real-time automated selective adjustment by a [user] policyholder of policy parameters for a policy and system computation and communication of consequent costs, comprising:

an information module for identifying a [user] policyholder to the system and for verifying to the [user] policyholder a present policy parameter[s] [of a policy held by the user]; and

a policy adjustment module for selectively communicating a parameter change and for generating in real-time a cost adjustment attributable to the parameter change and directly communicating to the policyholder the cost adjustment.

5. (Amended) The system as defined in claim 1 wherein the parameter change comprises a change in resident address of the [insured] policyholder.

13. (Amended) An [Internet] on-line insurance policy service system for real-time automated selective adjustment by [a user] a policyholder of policy parameters for an insurance policy, and for system computation and communication of changes in coverage under the policy comprising:

an information module for identifying a [user] policyholder to the system and for verifying to the [user] policyholder a present policy parameter[s] of a policy held by the [user] policyholder; and,

a policy adjustment module for selectively communicating a parameter change [and] from the policyholder, for generating in real-time a coverage adjustment attributable to the parameter change and for communicating the coverage adjustment directly to the policyholder.

17. (Amended) The system as defined in claim 13 wherein the parameter change comprises a change in resident address of the [insured] policyholder.

25. (Amended) A method of servicing an insurance policy via Internet on-line communications for estimating cost variances attributable to policy parameter changes and for real-time updating of the policy parameters via direct on-line communications between an insurer and a policyholder, comprising:

- communicating from a policyholder through an Internet on-line connection an identity of [a] the [customer] policyholder and a policy parameter change to an insurer;
- calculating a cost variance attributable to the policy parameter change and quoting the cost variance directly to the [customer] policyholder back through the on-line connection;
- submitting the policy parameter change as an implementable change for updating the policy;
- adjusting the policy in accordance with the policy parameter change and verifying the adjusting in real-time directly back to the [customer] policyholder through the on-line connection.

26. (Amended) The method as claimed in claim 25 further including displaying policy information to the [customer] policyholder comprising preexisting policy parameters.

27. (Amended) The method as claimed in claim 25 further including providing on-line forms to the [customer] policyholder.

29. (Amended) The method as claimed in claim 25 further including displaying claims information to the [customer] policyholder and enabling communication of related information concerning a claim through the on-line connection.

31. (Amended) A method of servicing [an] a preexisting insurance policy via Internet on-line communications directly between a policyholder and an insurer for estimating cost variances attributable to policy parameter changes and for real-time updating of the policy parameters, comprising:

communicating by a policyholder and an insurer through an Internet on-line connection an identity of [a] the [customer] policyholder and a policy parameter change;

determining a coverage variance attributable to the policy parameter change and quoting by the insurer of the cost variance to the [customer] policyholder directly back through the on-line connection;

submitting the policy parameter change as an implementable change for updating the policy;

adjusting the policy in accordance with the policy parameter change and verifying the adjustment in real-time back to the [customer] policyholder through the on-line connection.

32. (Amended) The method as claimed in claim 31 further including displaying policy information to the [customer] policyholder comprising preexisting policy parameters.

33. (Amended) The method as claimed in claim 31 further including providing on-line forms to the [customer] policyholder.

35. (Amended) The method as claimed in claim 31 further including displaying claims information to the [customer] policyholder and enabling communication of related information concerning a claim through the on-line connection.